

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECTION SUB. REPORT/abd.

991207 APD EXT TO 12/6/2000;

DATE FILED AUGUST 10, 1998

LAND: FEE & PATENTED STATE LEASE NO. UT ML-46103

PUBLIC LEASE NO.

INDIAN

DRILLING APPROVED: DECEMBER 21, 1998

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD: WILDCAT

UNIT:

COUNTY: UINTAH

WELL NO. STATE T 44-24

API NO. 43-047-33172

LOCATION 319 FSL FT. FROM (N) (S) LINE. 942 FEL

FT. FROM (E) (W) LINE. SE SE

1/4 - 1/4 SEC. 24

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

12S

24E

24

LONE MOUNTAIN PROD.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5. LEASE DESIGNATION AND SERIAL NO.

UT ML-46103

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

7. UNIT AGREEMENT NAME

B TYPE OF WELL

Oil Well ☐

Gas Well ☒

OTHER

Single Zone ☐

Multiple Zone ☒

8. FARM OR LEASE NAME

2. Name of Operator

Lone Mountain Prod., Co.

9. WELL NO.

State T 44-24

3. Address of Operator

P.O. Box, 3394, Billings, MT 59103 406-245-5077

10. FIELD OR LEASE NAME

4. Location of Well (Report location clearly and in accordance with any State requirement)

At surface

319' FSL, 942' FEL

SE/SE

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA

At proposed prod. Zone

99

287

Sec. 24, T12S, R24E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12. COUNTY OR PARISH 13. STATE

Uintah

Utah

15. Distance from proposed location to nearest Property or lease line ft.

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

(Also to nearest drlg. Unit line, if any)

319'

960

40

18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED.

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

OR APPLIED FOR, ON THIS LEASE, FT.

NA

5000'

Rotary

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

6,574

22. APPROX. DATE WORK WILL START

Sept. 1, 1998

23

PROPOSED CASING AND CEMENT PROGRAM

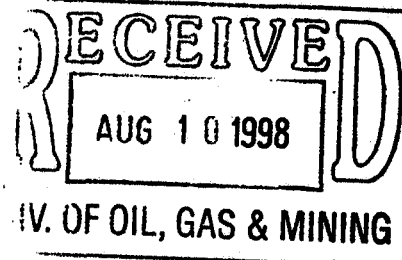
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36	300	To Surface
7 7/8	4 1/2	11.6	T.D.	Cement top to cover the oil shale

Operator requests permission to drill the subject well.

Please see the attached 10 Point and 13 Point Surface Use Plane.

If you require additional information please contact:

William Ryan
350 S., 800 E.
Vernal, Utah
435-789-0968



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE

William Ryan

TITLE

Agent

DATE

July 23, 1998

(This space for Federal or State Office use)

PERMIT NO.

43-042-33172

APPROVAL DATE

BRADLEY G. HILL

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

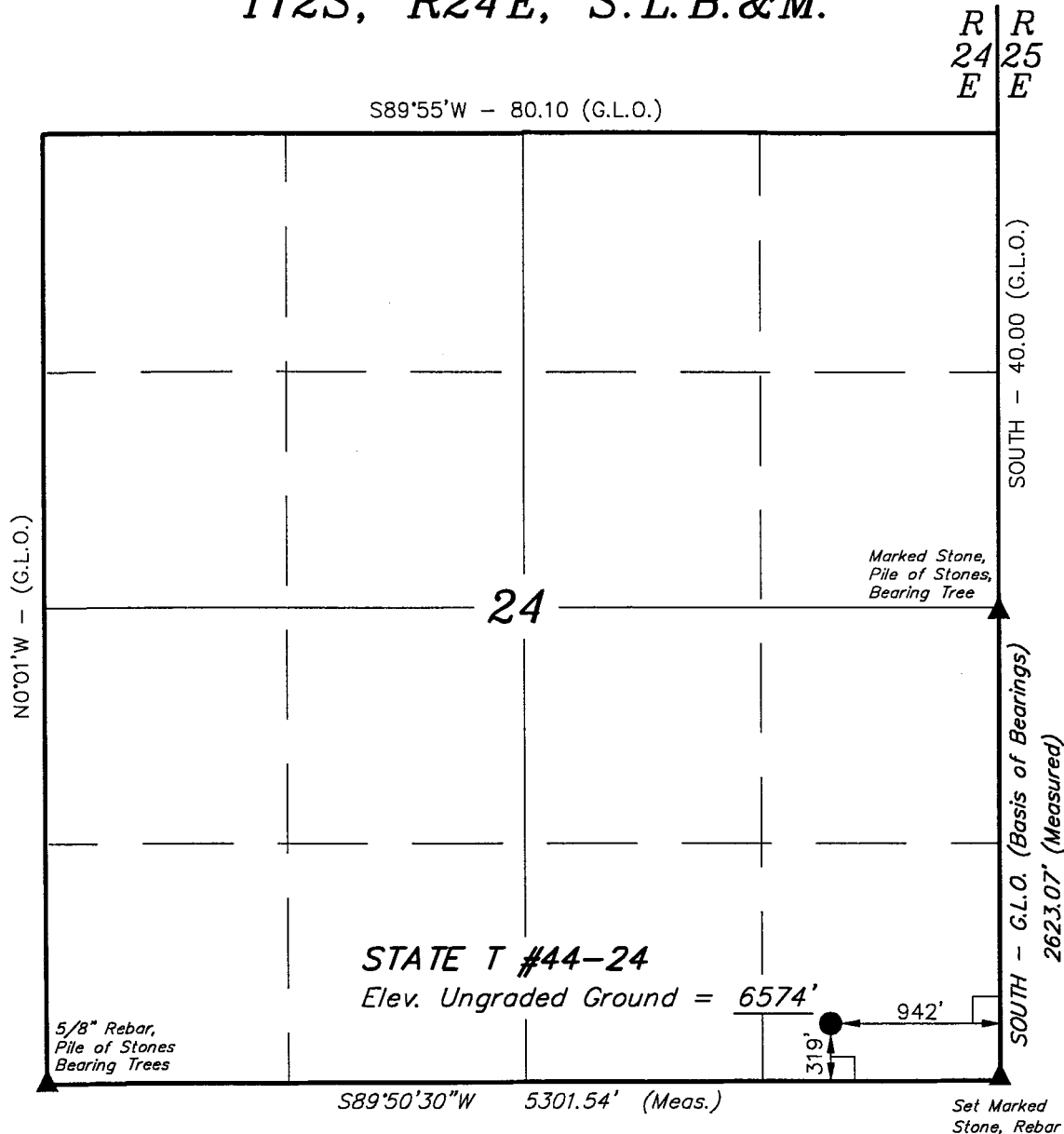
RECLAMATION SPECIALIST

12/21/98

*See Instructions on Reverse Side

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

T12S, R24E, S.L.B.&M.

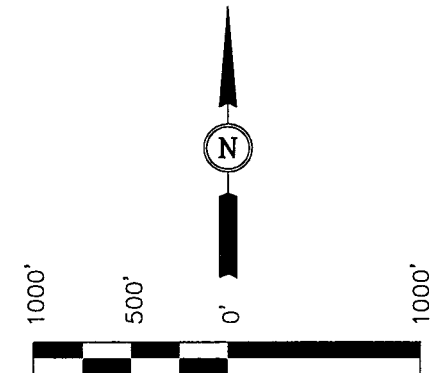


LONE MOUNTAIN PRODUCTION

Well location, STATE T #44-24 located as shown in the SE 1/4 SE 1/4 of Section 24, T12S, R24E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

TRIANGULATION STATION JEK 13 LOCATED IN THE SW 1/4 OF SECTION 20, T12S, R25E, S.L.B.&M. TAKEN FROM THE RAINBOW, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6762 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 121319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 39°45'15"
LONGITUDE = 109°10'22"

SCALE 1" = 1000'	DATE SURVEYED: 6-29-98	DATE DRAWN: 7-13-98
PARTY D.K. K.K. T.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE LONE MOUNTAIN PRODUCTION	

Ten Point Plan

Lone Mountain Prod., Co.

State T 44-24

Surface Location SE 1/4, SE 1/4, Section 24, T. 12 S., R. 24 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+6,574' G.L.
Oil Shale	559	+6,015
Wasatch	3,034	+3,540
Mesaverda formation	4,784	+1,790
T.D.	5,000	+1,574

3. Producing Formation Depth:

Formation objective includes the Wasatch and its sub-members.

Off Set Well Information:

Off set well: None

4. Proposed Casing:

<u>Hole</u> <u>Size</u>	<u>Casing</u> <u>Size</u>	<u>Grade</u> <u>Weight/Ft.</u>	<u>Setting</u> <u>& Tread</u>	<u>Casing</u> <u>Depth</u>	<u>New/Used</u>
12 1/4	9 5/8	36	J-55/STC	300	New
7 7/8	4 1/2	11.6	J-55/LTC	T.D.	New

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium 1/4 #/sk. Cello Flake	150 sks. +/-	1.16 cu. ft./sk.	15.82 lbs./gal.
4 1/2 Lead.	Class "G" 3% salt 16% gel (Bentonite) 2% WR15 .4 lbs./sk. FL 25	205 sks. +/-	3.91 cu. ft./sk.	11.0 lbs./gal.
Tail	Class "G" 10% salt 10% gel .1% R-3 .4 FL-25	540 sks. +/-	1.44 cu. ft./sk.	15.23 lbs./gal.

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2500	Clear Water	----	No Control	Water/Gel
2500-T.D.	8.4-8.6	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is September 1, 1998. Duration of operations expected to be 30 days.

LONE MOUNTAIN PRODUCTION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

STATE T 44-24

LOCATED IN

SE 1/4, SE 1/4

SECTION 24, T. 12 S., R. 24 E., U.S.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UT ML-46103

SURFACE OWNERSHIP: STATE OF UTAH & FEDERAL

1. Existing Roads

To reach the **Lone Mountain Production Co. well State T 44-24, in Section 24, T 12 S, R 24 E**, from Bonanza, Utah:

Starting in Bonanza, Utah proceed south on the paved road for 4 miles.

Turn south (left) on the Book Cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals.

Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign.

Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign.

Turn south (left) of the Rainbow sign. This is also called the Atchee Ridge Road. Proceed 7.6 miles.

Turn west (right) on the existing oil field service road. Proceed 1.4 miles to the Seep Canyon State 19-12-25.

The proposed access road will start at this point.

All existing roads to the proposed location are State or County Class D roads except the last 1.4 miles.

Please see the attached map for additional details.

2. Planned access road

The proposed location will require approximately 1.1 miles of access road upgrading and 1,000 feet of new construction.

The road will be built to the following standards:

A) Approximate length	1.3 miles
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	State of Utah
L) All new construction on lease	No
M) Pipe line crossing	None

Please see the attached location plat for additional details.

**A right of way will not be required.
All new road construction will be on State of Utah lands.**

3. Location of existing wells

The following wells are located within a one mile radius of the location site.

A) Producing well	Seep Canyon #19-12-25 Sec. 11, T11S, R23E
B) Water well	None
C) Abandoned well	None
D) Temp. abandoned well	None
E) Disposal well	None
F) Drilling/Permitted well	None
G) Shut in wells	None

- H) Injection well None
I) Monitoring or observation well None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities, and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Juniper Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required **paint** color is **Juniper Green**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulations identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of production in paying quantities a surface pipeline will be required. The line will be welded on location and on the two

track, then boomed off the road. The approximately length will be 2.6 miles and follow an existing two track.

The pipeline will be on State of Utah lands in Section 24, 25, 26 & part of Section 23.

The pipeline will be on Federal lands in Section 22 & part of Section 23.

The line will be a 2" or 4" steel surface pipeline.

Please see the attached location diagram for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving schedule. A copy of the meter calibration report will be submitted to the **State of Utah, Division of Oil, Gas, and Mining**. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing the subject well will be hauled by truck from Evacuation Creek permit # 49-1595. The Evacuation Creek distribution point is in Section 7, T11S, R25E. Water for completion will come from the same supply or Vernal City.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will not be lined.

The reserve pit will not be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90 days an application will be made to the authorized officer for a permanent disposal method and location.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follow:

A) Pad length	350 ft.
B) Pad width	155 ft.
C) Pit depth	10 ft.
D) Pit length	180 ft.
E) Pit width	50 ft.
F) Max cut	13.1 ft.
G) Max fill	8.9 ft.

- | | |
|-------------------------|-----------------------|
| H) Total cut yds. | 7,610 cu. yds. |
| I) Pit location | east side |
| J) Top soil location | north end |
| K) Access road location | south end |
| L) Flare pit | corner C |

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will

amount to approximately 1,000 cubic yards of material. **Topsoil will be stockpiled in two distinct piles (location topsoil and pit topsoil).** Placement of the topsoil is noted on the attached location plat. **The topsoil pile from the location will be seeded as soon as the soil is stock piled** with a seed mix provided by the State of Utah. The unused portion of the location (the area outside the dead men.) will be recontoured

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be recontoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new

access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when the topsoil is stock piled and when reclamation work is performed.

B) Seed Mix

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

11. Surface ownership:

Access road	State of Utah,
Location	State of Utah
Pipeline	State of Utah & Federal

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sagebrush. Rabbit brush, bitter brush and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one mile radius of the location.

C) Archeology:

The location has not been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is Evacuation Creek located 4 miles to the east.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

a) Location construction

At least forty eight (48) hours prior to construction of location and access roads

b) Location completion

Prior to moving in the drilling rig.

c) Spud notice

At least twenty-four (24) hours prior to spudding the well.

d) Casing string and cementing

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

e) BOP and related equipment tests

At least twenty-four (24) hours prior to initial pressure tests.

f) First production notice

Within five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety 90 days.

H) Flare pit:

The flare pit will be located in corner B of the reserve pit out side the pit fence and 100 feet from the bore hole on the **south side of the location**. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan

Rocky Mountain Consulting
350 South 800 East
Vernal, Utah 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

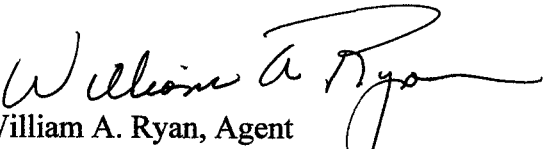
This drilling permit will be valid for a period of one year from the date of

approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by **Lone Mountain Production Company** and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date July 29 1998


William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Date:

Statement of use of Hazardous Material

No chemical(s) from the EPA's Consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986.

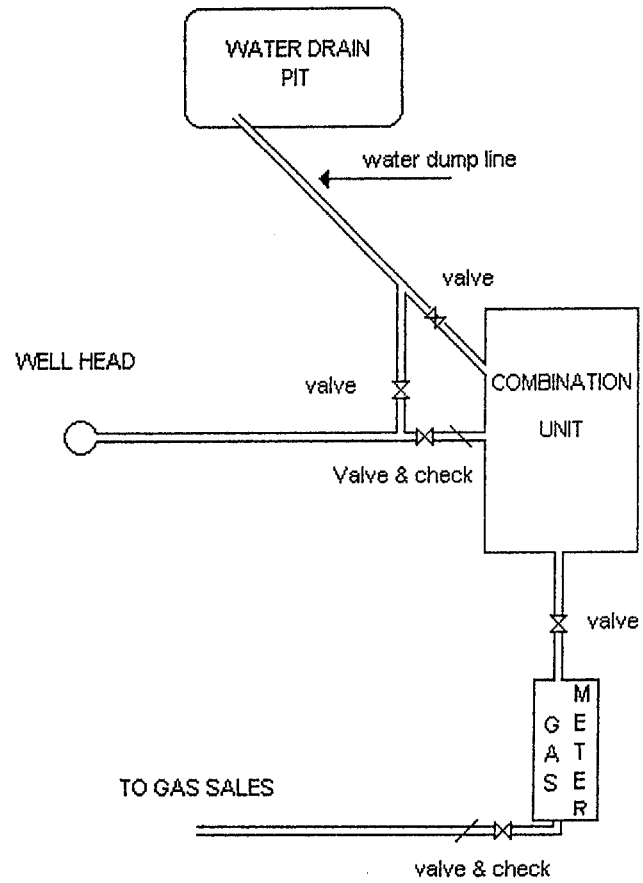
Will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

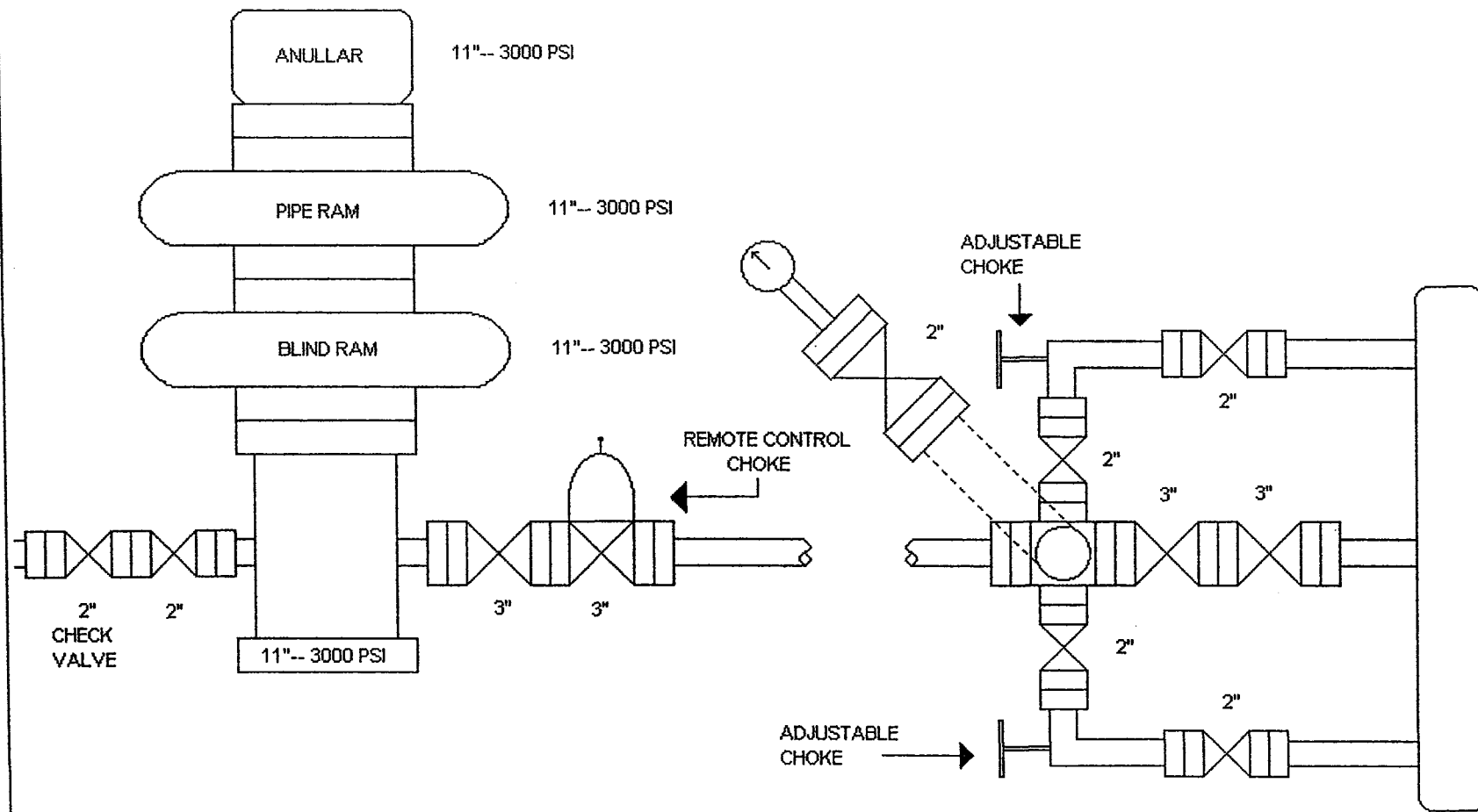
If you require additional information please contact:

William A Ryan
Agent for Lone Mountain Production Company
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

Telephone
(435) 789-0968 office
(435) 828-0968 cellular
(435) 789-0970 fax

LONE MOUNTAIN
TYPICAL
GAS WELL





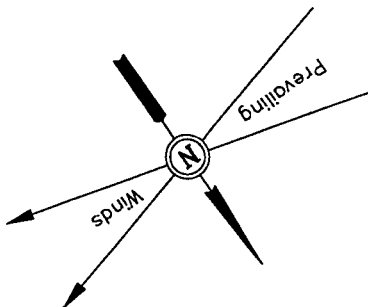
LONE MOUNTAIN PRODUCTION

LOCATION LAYOUT FOR

STATE T #44-24

SECTION 24, T12S, R24E, S.L.B.&M.

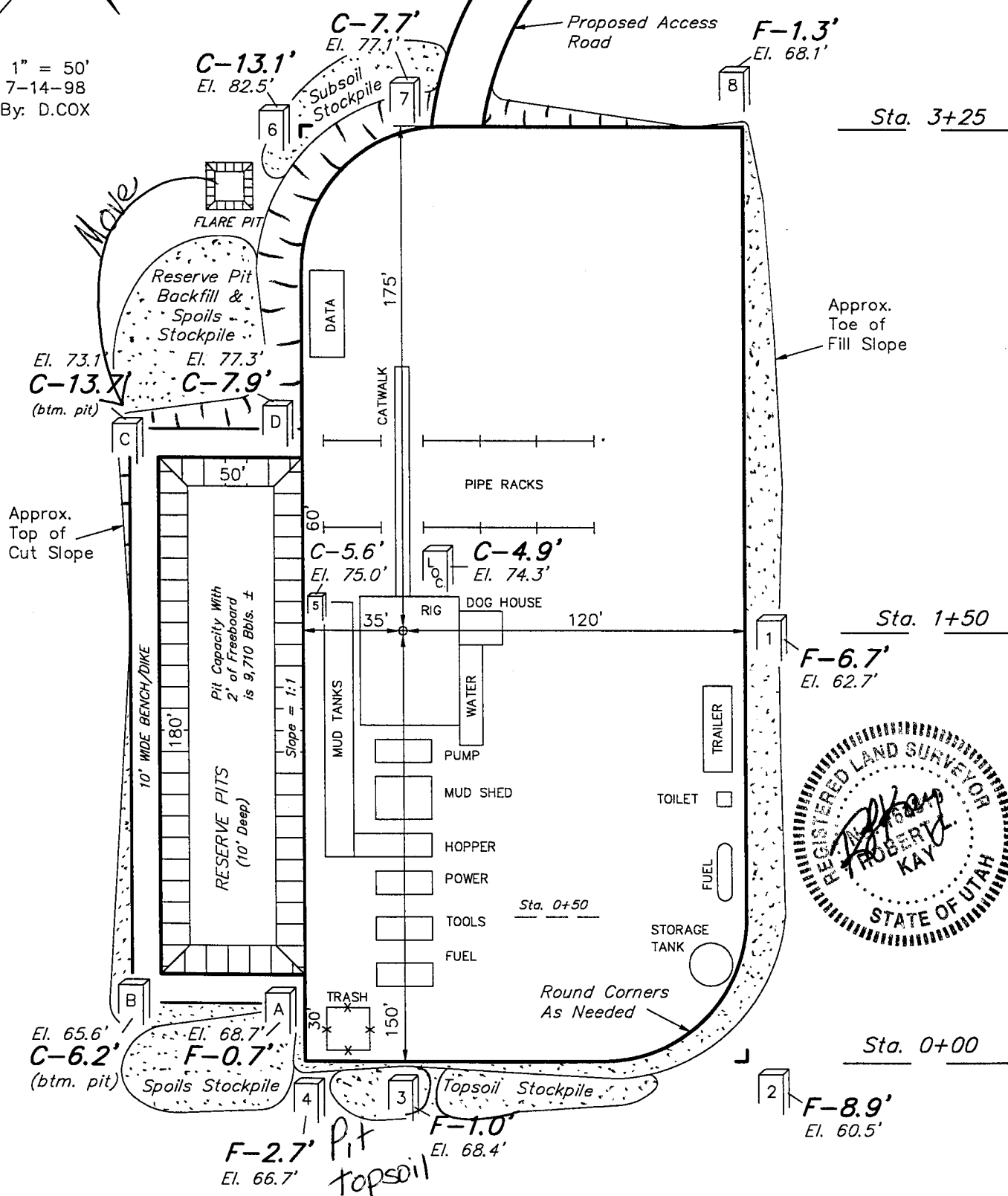
319' FSL 942' FEL



SCALE: 1" = 50'

DATE: 7-14-98

Drawn By: D.COX



Elev. Ungraded Ground at Location Stake = 6574.3'

Elev. Graded Ground at Location Stake = 6569.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

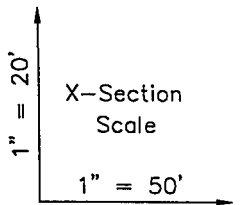
LONE MOUNTAIN PRODUCTION

TYPICAL CROSS SECTIONS FOR

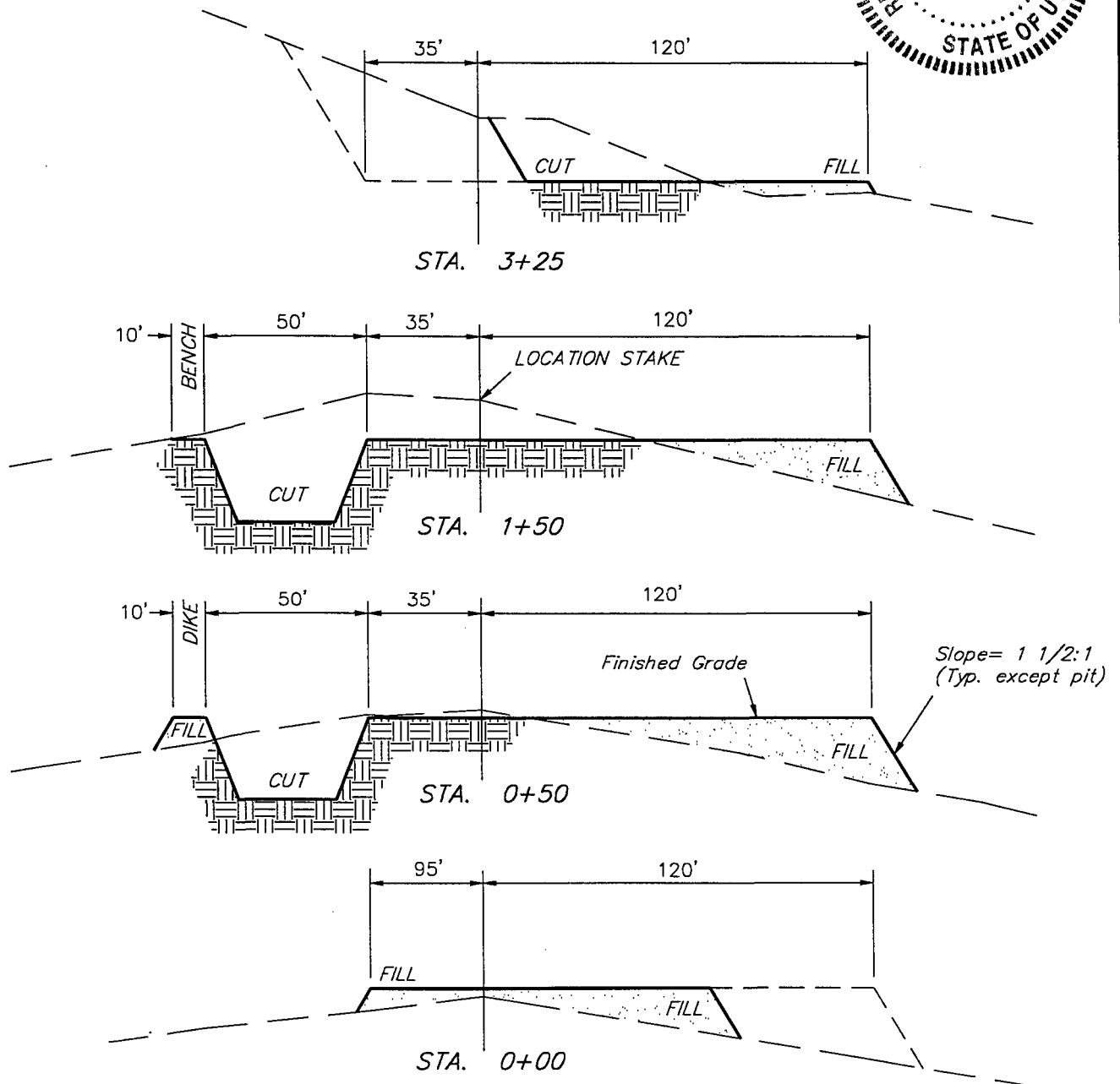
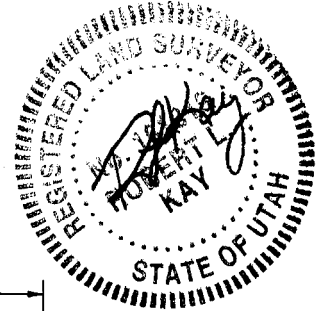
STATE T #44-24

SECTION 24, T12S, R24E, S.L.B.&M.

319' FSL 942' FEL



DATE: 7-14-98
Drawn By: D.COX

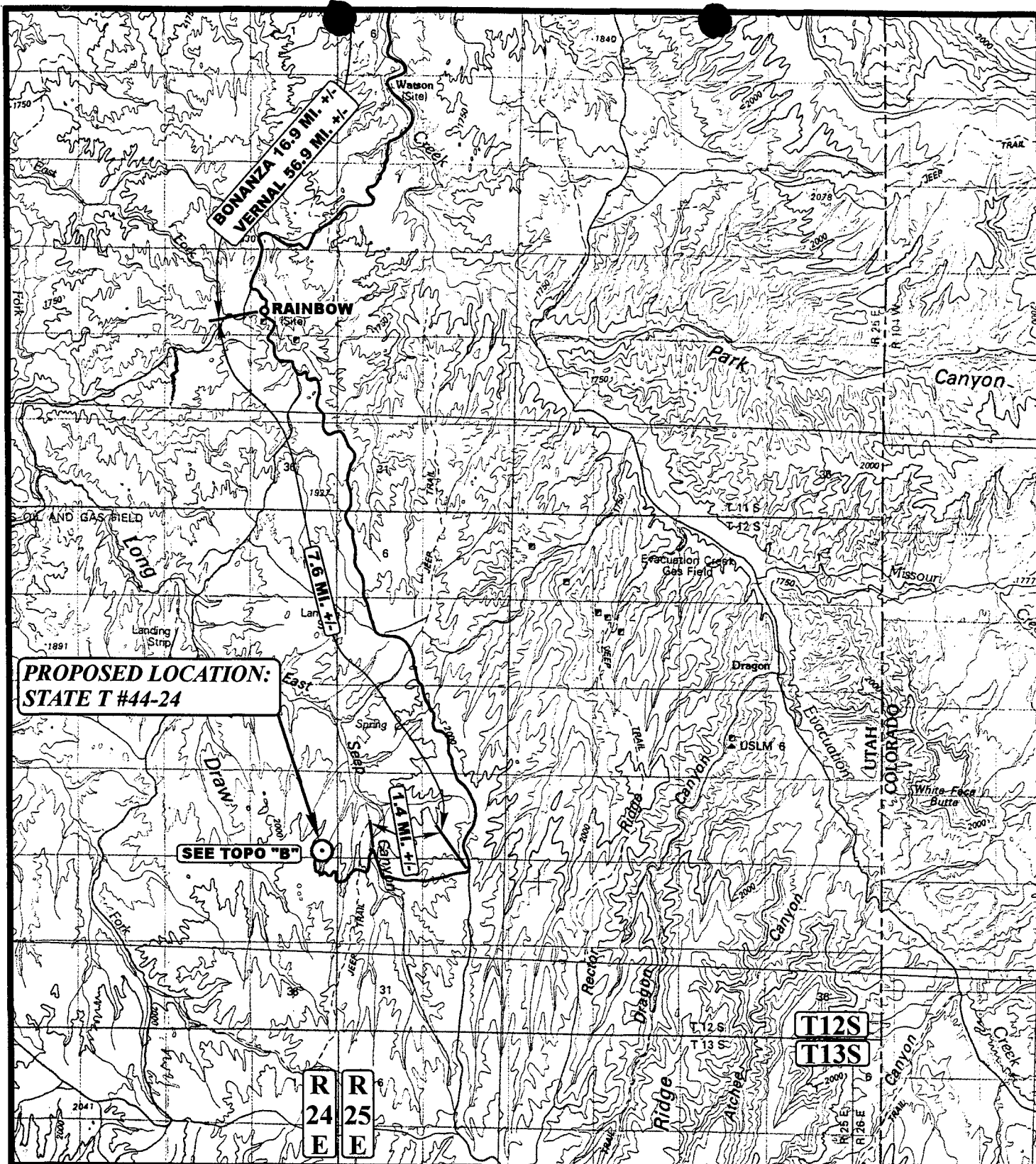


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 6,510 Cu. Yds.
TOTAL CUT	= 7,610 CU.YDS.
FILL	= 4,980 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,370 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 10 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



LONE MOUNTAIN PRODUCTION

STATE T #44-24

SECTION 24, T12S, R24E, S.L.B.&M.

319' FSL 942' FEL



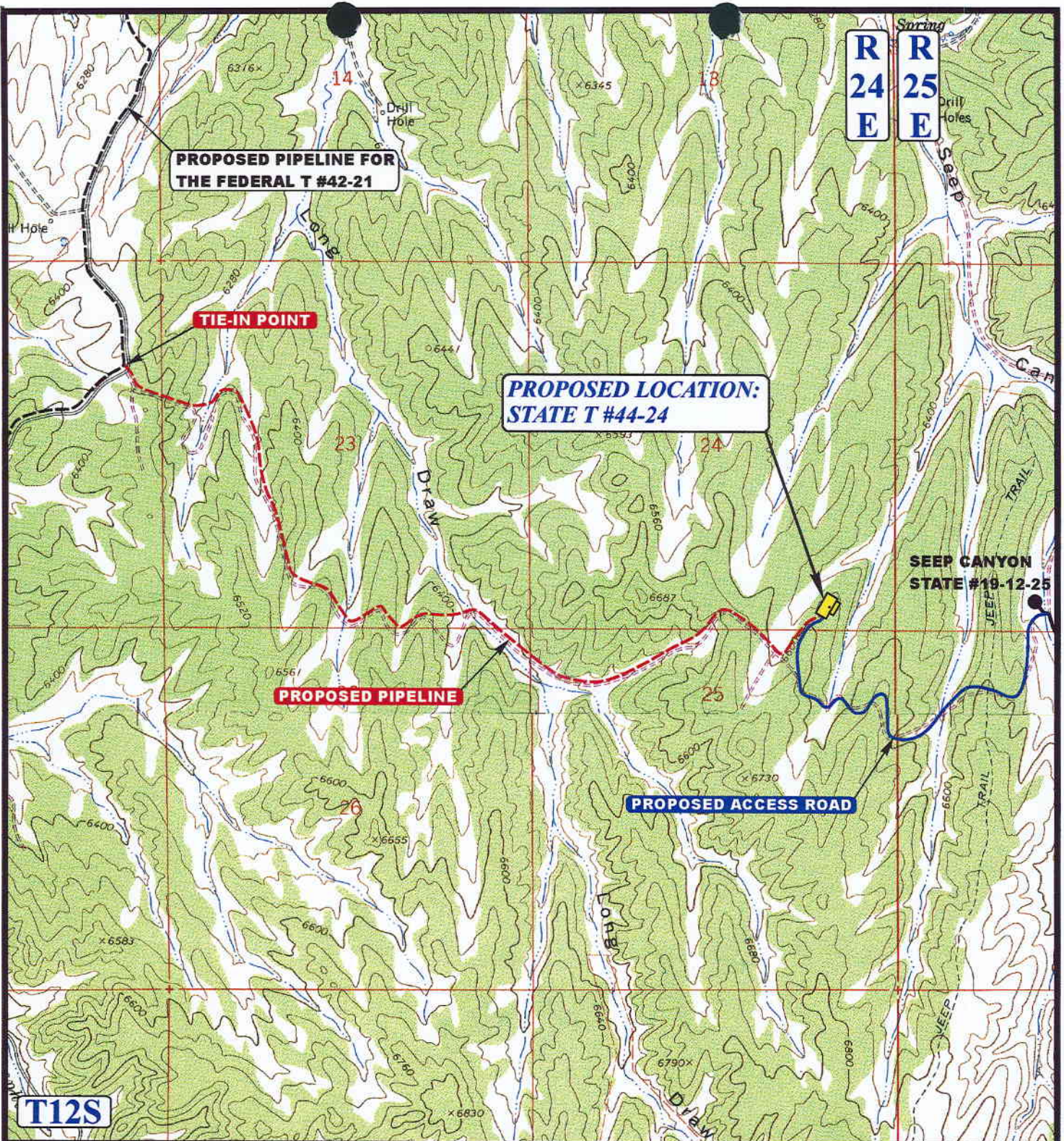
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

7 **13** **98**
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: D.COX REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 13,700' +/-

LEGEND:

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- — — — — PROPOSED ACCESS

LONE MOUNTAIN PRODUCTION

STATE T #44-24
SECTION 24, T12S, R24E, S.L.B.&M.
319' FSL 942' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC **7** **13** **98**
MAP **MONTH** **DAY** **YEAR**
 SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/10/98

API NO. ASSIGNED: 43-047-33172

WELL NAME: STATE T 44-24
OPERATOR: LONE MOUNTAIN PROD CO (N7210)
CONTACT: William Ryan (435) 789-0968

PROPOSED LOCATION:
SESE 24 - T12S - R24E
SURFACE: 0319-FSL-0942-FEL
BOTTOM: 0319-FSL-0942-FEL
UINTAH COUNTY
WILDCAT FIELD (001)

LEASE TYPE: STA
LEASE NUMBER: ML-46103
SURFACE OWNER: State

INSPECT LOCATION BY: 08/25/98

TECH REVIEW	Initials	Date
Engineering	<i>RJK</i>	<i>12-21-98</i>
Geology		
Surface		

PROPOSED FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☐ State ☒ Fee ☐
(No. 930010C sec. 7-31-99)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190-5(B)
☒ Water Permit
(No. 49-1595)
☒ RDCC Review (Y/N)
(Date: Dec 14 8-27-98 / Comments due 9-15-98)
☒ St/Fee Surf Agreement (Y/N)

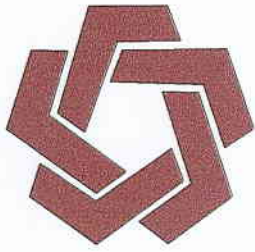
LOCATION AND SITING:

☐ R649-2-3. Unit
☐ R649-3-2. General
☒ R649-3-3. Exception
☐ Drilling Unit
Board Cause No: _____
Date: _____

COMMENTS: *Need add'l info. "Except. Loc". (Rec'd 12-14-98)
*Need Presite. (Conducted 10-21-98)

STIPULATIONS:

① STATEMENT OF BASIS



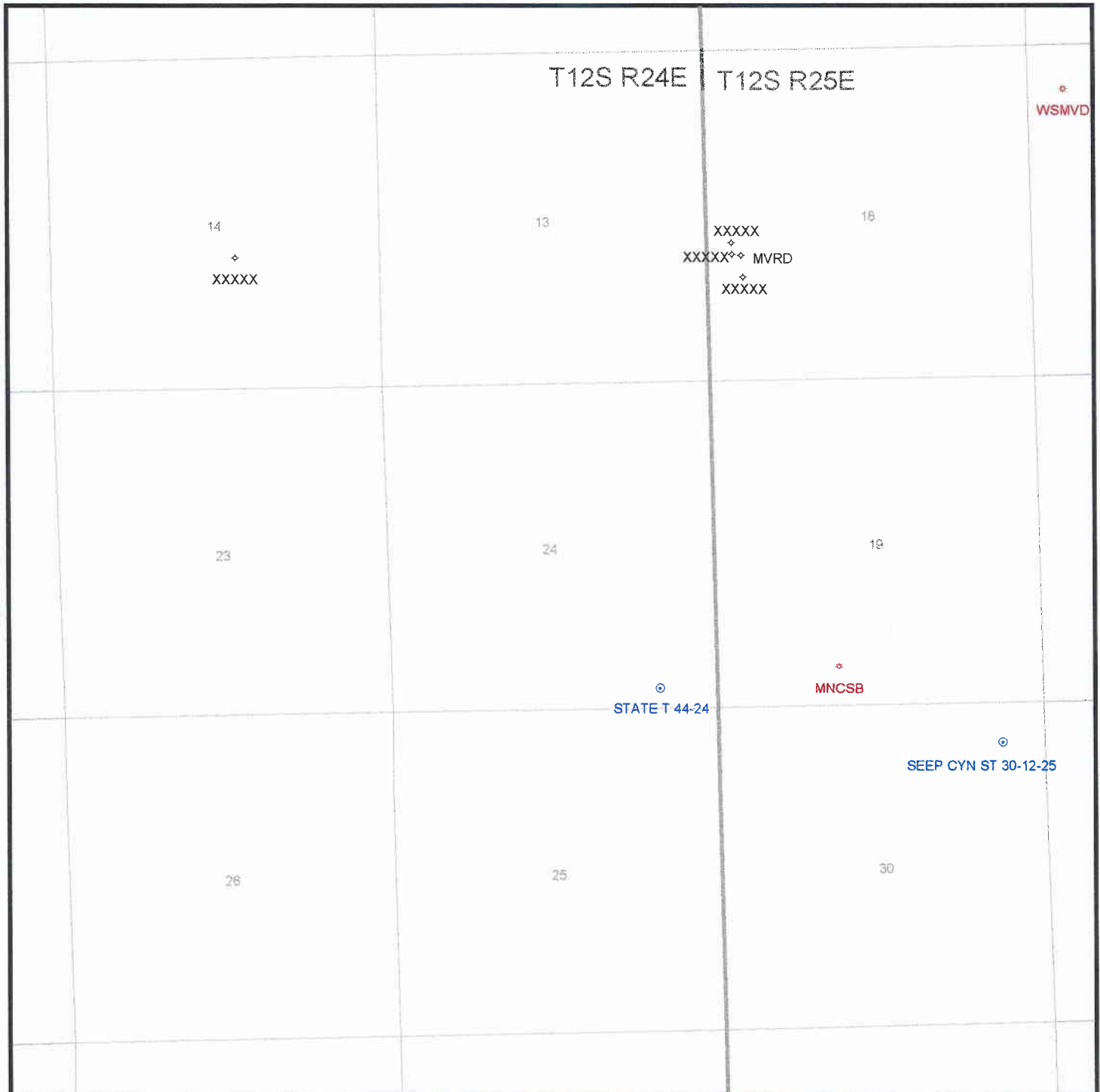
DIVISION OF OIL, GAS & MINING

OPERATOR: LONE MOUNTAIN (N7210)

FIELD: WILDCAT (001)

SEC. 24, TWP 12S, RNG 24E

COUNTY: UINTAH UAC: R649-3-3 EXCEPTION SPACING



DATE PREPARED:
14-AUG-1998

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: Lone Mountain Production Company
Name & Number: State T 44-24
API Number: 43-047-33172
Location: 1/4, 1/4 SE SE **Sec.** 24 **T.** 12S **R.** 24E **COUNTY:** UINTAH

Geology/Ground Water:

This Permit calls for 300' of 95/8 36# casing. To date drilling in the area has not encountered any water at or near the surface. The closest known well is over two miles to the North. There are no points of diversion within 5280 feet of this location. The casing program for this well is consistent with the historic data in this area and should be sufficient to cover any zones of interest.

Reviewer: K. Michael Hebertson **Date:** 5-Nov-1998

Surface:

This location is on the top of a gently North facing slope that feeds into East Seep Canyon and ultimately runs into Evacuation Creek and for a portion of the distance to the location the access road will cut across two small drainages that feed into East Seep Creek, however only minor alteration will be required. Wildlife and State Lands were invited however neither were able to be there. There is heavy use of this entire area by wildlife. The natural terrain of this section is rugged and is not conducive to locations that are easily accessible or close to existing oil field corridors.

Reviewer: K. Michael Hebertson **Date:** 5-Nov-1998

Conditions of Approval/Application for Permit to Drill:

1. Spoil vegetation will be recontoured into the location, along with reserved topsoil, after drilling and completion are finished.
2. Corners of the location will be rounded and a vegetation barrier will be left .
3. No drilling or completion work will be done between December 1 and April 1 of any year. If raptors are present, drilling will not be permitted until after July 15.
4. All fill slopes will be bermed at the bottom and a catchment ditch left to impeded the normal erosion coming of the location.
5. The pit will not be lined unless blasting is necessary to build it.

State of Utah
On-Site Evaluation
Division of Oil, Gas and Mining

OPERATOR: Lone Mountain Production Company
WELL NAME & NUMBER: State T 44-24
API NUMBER: 43-047-33172
LEASE: ML - 46103 FIELD/UNIT: Undesignated (002)
LOCATION: 1/4, 1/4 SE SE Sec: 24 TWP: 12S RNG: 24E 319 FSL 942 FEL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL
GPS COORD (UTM): 656546 E & 4401907 N
SURFACE OWNER: State Of Utah

PARTICIPANTS:

Mike Hebertson (DOGM), & Bill Ryan (Agent for Lone Mountain)

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

Tavaputs Plateau, Northwest of the Roan Cliffs about 15 miles and South of the White River about 15 miles. The entire area drains North to the White River along the drainage of East Seep Canyon about 1 1/2 mile to the Northeast. The surface is dominated by rolling hills and canyon features that slope gently to the North with moderately incised canyon bottoms cut by the major streams draining toward the White River. An Oil Field Road access road comes into the South end of section 24 and several jeep trails already exist in the section.

SURFACE USE PLAN:

CURRENT SURFACE USE: Wildlife Habitat, and high value winter range

PROPOSED SURFACE DISTURBANCE: A drill pad and access road comprising Approximately 4.5 acres. Including pits and spoil piles.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: One gas well is located to the East of this location about 1/2 mile.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Pipelines are proposed to follow existing roads and facilities for production will be placed on location.

SOURCE OF CONSTRUCTION MATERIAL: No materials will be transported to this site and all other cuts and fills will be of natural materials incident to the building of the well pad.

ANCILLARY FACILITIES: None

WASTE MANAGEMENT PLAN:

the plan filed with the APD has adequate provisions made for the handling of waste materials.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOOD PLAINS AND/OR WETLANDS: None noted

FLORA/FAUNA: Deer, Bear, Cougar, Bobcat, Elk, Pinon Juniper, Sage Bitter Brush, Greasewood, other indigenous plants and animals common to Western high plateau localities.

SOIL TYPE AND CHARACTERISTICS: Sandy clay light tan to buff in color. This is a deflation surface and most of the top soils have been blown away leaving broken rocks and gravel.

SURFACE FORMATION & CHARACTERISTICS: The surface is the Eocene age Green River Formation, comprised mainly of mudstone and marlstone.

EROSION/SEDIMENTATION/STABILITY: There is no Erosion, Sedimentation, or Stability problem with this site

PALEONTOLOGICAL POTENTIAL: None Noted

RESERVE PIT:

CHARACTERISTICS: 180 X 50 X 10' outboard of the location with a 20 X 20 X 10' deep flare pit attached to the reserve pit.

LINER REQUIREMENTS (Site Ranking Form attached): No liner will be required unless the pit is blasted in order to achieve the desired depth.

SURFACE RESTORATION/RECLAMATION PLAN:

A restoration plan was submitted as part of the APD along with seed mixtures and amounts per acre. Mr Ryan was informed that the State preferred to stipulate this requirement at the time of abandonment.

SURFACE AGREEMENT: This agreement is part of the Lease from the State of Utah

CULTURAL RESOURCES/ARCHAEOLOGY: completed and filed prior to the Pre-site

OTHER OBSERVATIONS/COMMENTS:

This APD is actually being submitted for White River Corporation, however the Unit operator is Rosewood, and Lone Mountain is filing because White River has no operating Bonds. This area is included as part of an EA that is currently being conducted by the BLM.

K. Michael Hebertson
DOGM REPRESENTATIVE

21-Oct-1998 12:30 PM
DATE/TIME

Evaluation Ranking Criteria and Ranking Score For Reserve and Onsite Pit Liner Requirements

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility		
Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>
Final Score (Level III Sensitivity)		<u>20</u>

Well name:

LoneMountainStateT44-24Operator: **Lone Mountain**String type: **Surface**

Project ID:

43-047-33172Location: **Uintah Co.****Design parameters:****Collapse**Mud weight: 8.330 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature 79 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 300 ft**Burst:**

Design factor 1.00

Cement top: Surface

BurstMax anticipated surface pressure: 149 psi
Internal gradient: 0.442 psi/ft
Calculated BHP 282 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 263 ft**Re subsequent strings:**Next setting depth: 5,000 ft
Next mud weight: 8.500 ppg
Next setting BHP: 2,208 psi
Fracture mud wt: 14.250 ppg
Fracture depth: 500 ft
Injection pressure 370 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	9.625	36.00	J-55	ST&C	300	300	8.796	21.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	2020	15.58	282	3520	12.50	9	394	41.65 J

Prepared RJK
by: State of UtahPhone:
FAX:Date: December 21, 1998
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.

In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

LoneMountainStateT44-24Operator: **Lone Mountain**String type: **Production**

Project ID:

43-047-33172Location: **Uintah Co.****Design parameters:****Collapse**Mud weight: 8.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 145 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 300 ft

Cement top: 312 ft

BurstMax anticipated surface pressure: 0 psi
Internal gradient: 0.442 psi/ft
Calculated BHP 2,208 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 4,365 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5000	4.5	11.60	J-55	LT&C	5000	5000	3.875	115.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2208	4960	2.25	2208	5350	2.42	51	162	3.20 J

Prepared by: RJK
State of UtahPhone:
FAX:Date: December 21, 1998
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

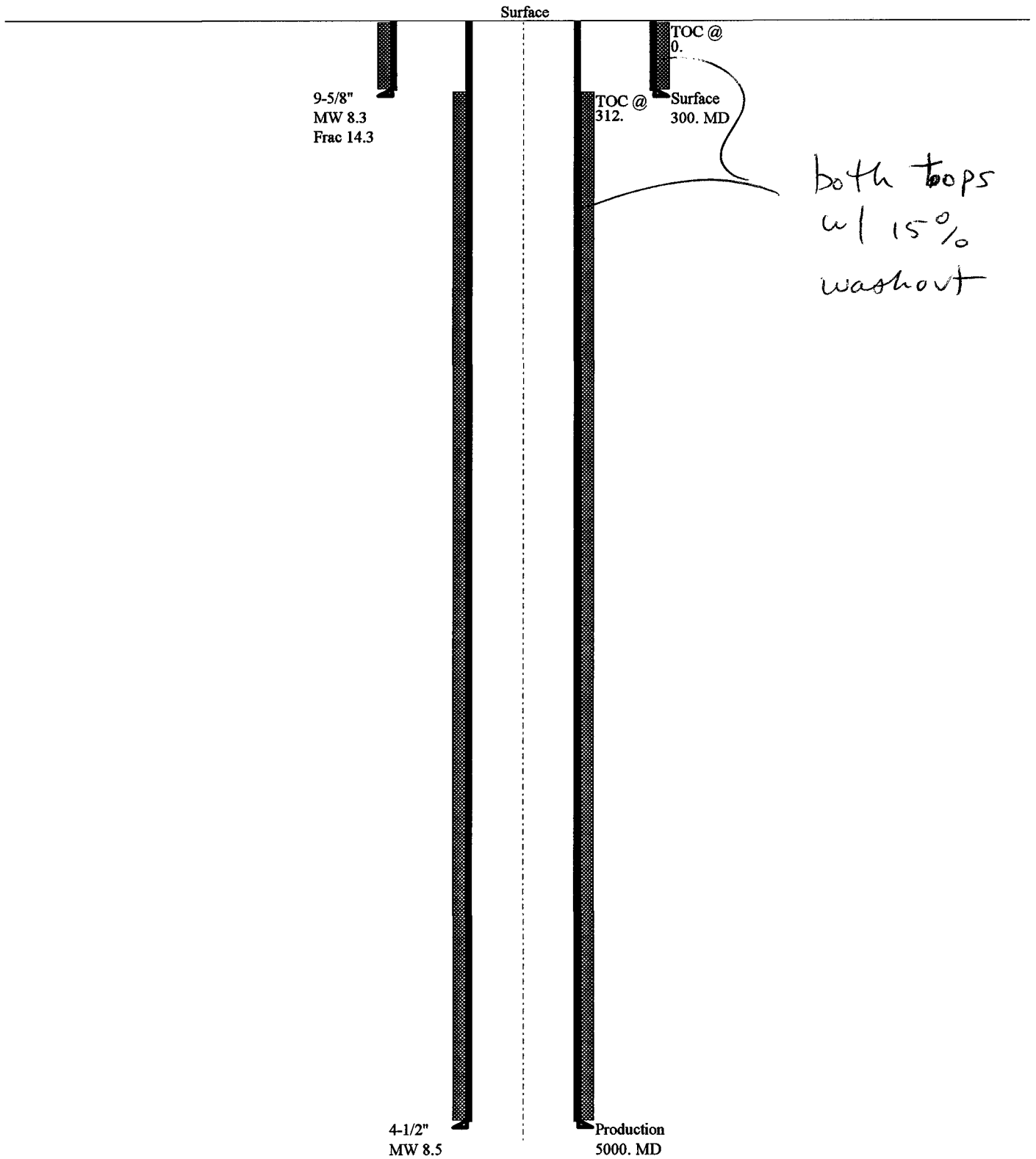
Collapse is based on a vertical depth of 5000 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes.

In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

LoneMountainStateT44-24

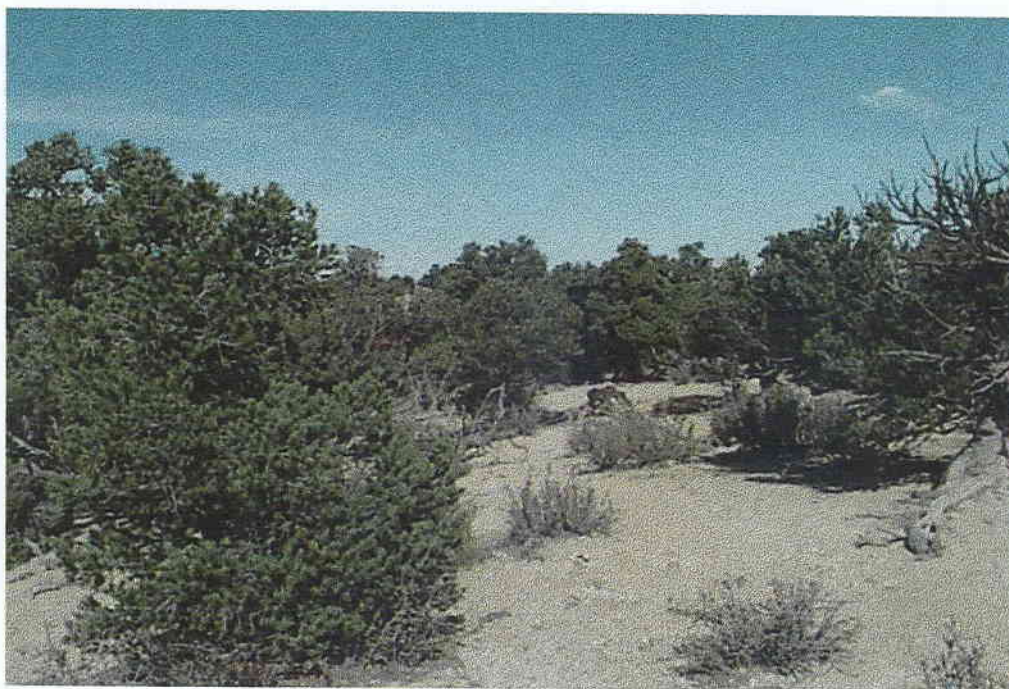
Casing Schematic







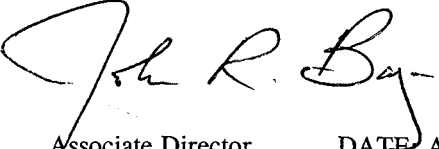






STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

<p>1. ADMINISTERING STATE AGENCY OIL, GAS AND MINING 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801</p>	<p>2. STATE APPLICATION IDENTIFIER NUMBER: (assigned by State Clearinghouse)</p> <p>3. APPROXIMATE DATE PROJECT WILL START: Upon Approval</p>
<p>4. AREAWIDE CLEARING HOUSE(s) RECEIVING STATE ACTIONS: (to be sent out by agency in block 1) Uintah Basin Association of Governments</p>	
<p>5. TYPE OF ACTION: <input type="checkbox"/> Lease <input checked="" type="checkbox"/> Permit <input type="checkbox"/> License <input type="checkbox"/> Land Acquisition <input type="checkbox"/> Land Sale <input type="checkbox"/> Land Exchange <input type="checkbox"/> Other</p>	
<p>6. TITLE OF PROPOSED ACTION: Application for Permit to Drill</p>	
<p>7. DESCRIPTION: Lone Mountain Production Company proposes to drill the State T 44-24 well (wildcat) on state lease ML-46103, Uintah County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.</p>	
<p>8. LAND AFFECTED (site location map required) (indicate county) SE/4, SE/4, Section 24, Township 12 South, Range 24 East, Uintah County, Utah</p>	
<p>9. HAS THE LOCAL GOVERNMENT(s) BEEN CONTACTED? No</p>	
<p>10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR: Degree of impact is based on the discovery of oil or gas in commercial quantities.</p>	
<p>11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:</p>	
<p>12. FOR FURTHER INFORMATION, CONTACT:</p>	<p>13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL:</p>
<p>John R. Baza PHONE: 538-5334</p>	<p> Associate Director DATE: August 27, 1998</p>

White River Resource Management, Inc.410 17th Street, Suite 925, Denver, Colorado 80202

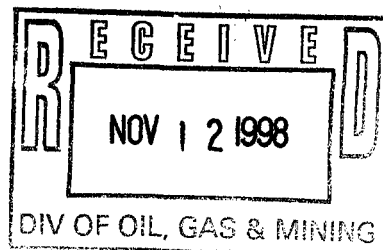
Phone (303) 628-1951 Fax: (303) 825-0321

Memo

To: Lisha Cordova**From:** DAVE KOVAL**Fax:** 801 359-3940**Pages:** 2**Phone:** 801 538-5296**Date:** November 12, 1998**Re:** Designation of Agent, William A. Ryan**CC:**☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle****• Comments:**

Lisha -

Thanks for your help.



WRRM

White River Enterprises, LLC
Suite 925, 410 17th Street
Denver, Colorado 80202

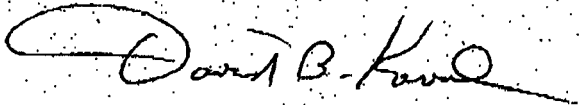
November 12, 1998

Lisha Cordova
Utah Division of Oil, Gas and Mining
1594 W., North Temple, Suite 121
Salt Lake City, Utah 84114

Dear Lisha,

Please be advised that William A. Ryan is designated as agent for White River Resource Management, Inc. and White River Enterprises, L.L.C.

Thank you for your assistance in this matter.



David B. Koval
President, White River Resource Management, Inc



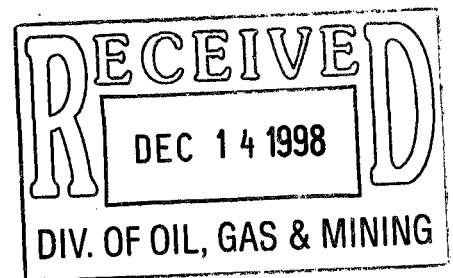
Office (435) 789-0968
Cellular (435) 828-0968

350 S. 800 E.
Vernal, UT 84078

December 3, 1998

Re: Well State T 44-24
NE/NE, Sec. 24, T12S, R24E
Lease No. UT ML-46103

Utah Division of Oil Gas and Mining
1594 West North Temple
Suite 1210
P.O. Box 145801
Salt Lake City UT, 84114-5801



Dear Sirs:

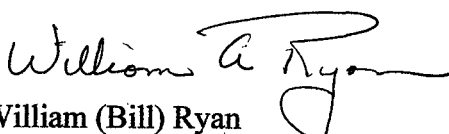
Lone Mountain Production Company (Lone Mountain) respectfully requests a spacing exception for the subject well. The well was originally requested for the center of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$. The location was moved due to topographic considerations, erosion potential, major and minor drainage's and access conditions. The location was on sited with the State of Utah on 10/21/98. Mick Hebertson from the State of Utah and Bill Ryan Agent for Lone Mountain were present. Both parties agreed with the site location.

The well is located 319' FSL, 942' FEL in Sec. 24, T12S, R24E.

A 460-foot radius around the proposed location is within State of Utah lease # UT ML-46103 and UT ML-47090. Please see the attached map and plat for additional details.

If you have additional questions please contact me.

Sincerely


William (Bill) Ryan
Agent

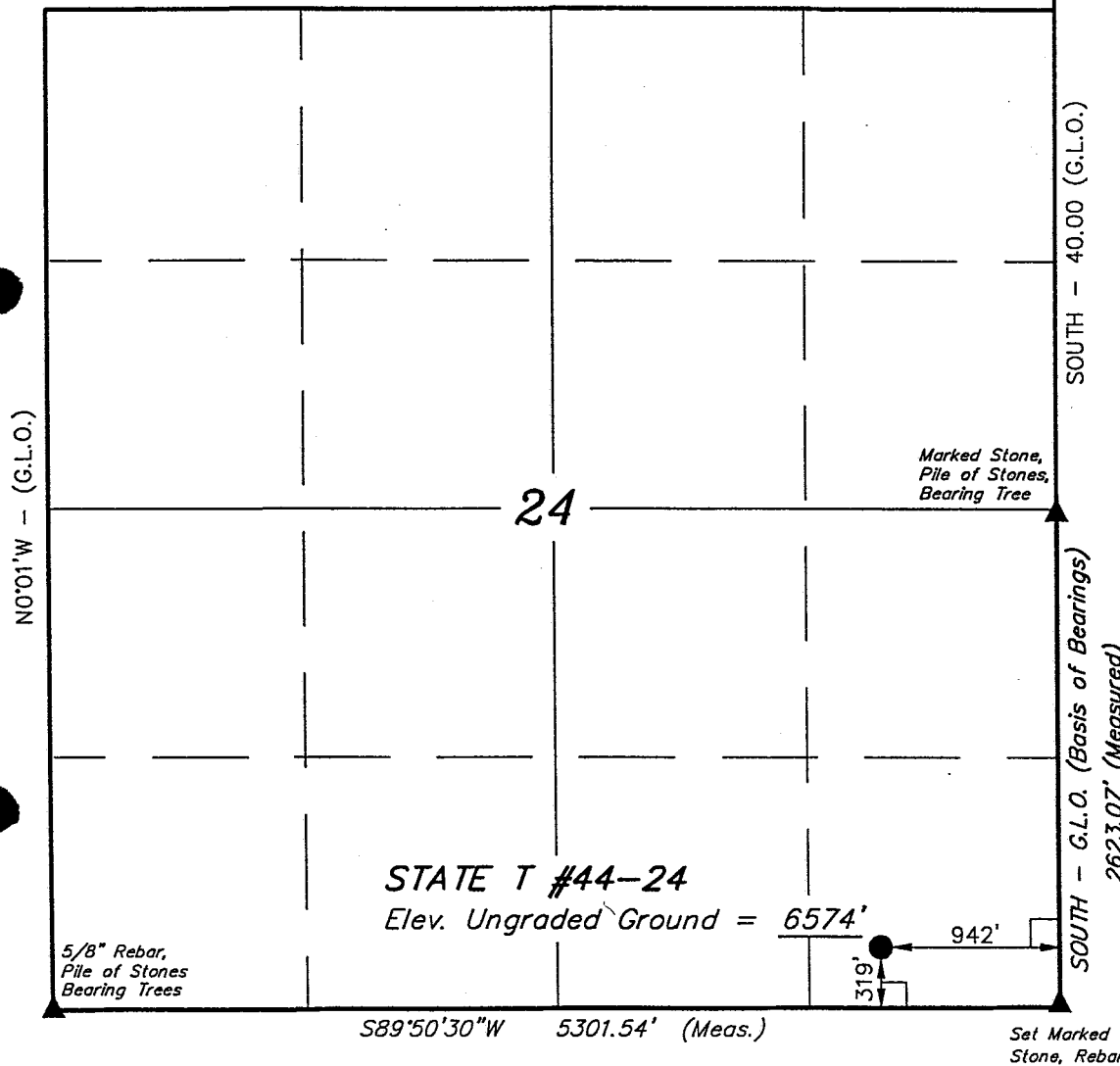
T12S, R24E, S.L.B.&M.

LONE MOUNTAIN PRODUCTION

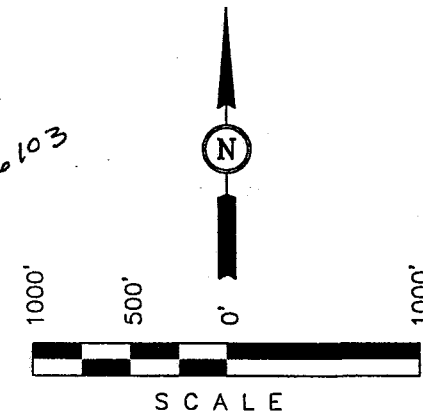
Well location, STATE T #44-24 located as shown in the SE 1/4 SE 1/4 of Section 24, T12S, R24E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

TRIANGULATION STATION JEK 13 LOCATED IN THE SW 1/4 OF SECTION 20, T12S, R25E, S.L.B.&M. TAKEN FROM THE RAINBOW, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6762 FEET.

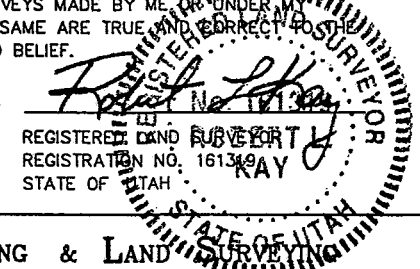


43-00338
UT ML-46103



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

43-00337 UT ML-47090
LATITUDE = 39°45'15"
LONGITUDE = 109°10'22"

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 6-29-98	DATE DRAWN: 7-13-98
PARTY D.K. K.K. T.A. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE LONE MOUNTAIN PRODUCTION	

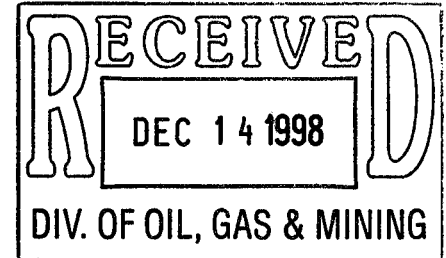
SCALE: 1" = 1000'	DRAWN BY: D.COX	REVISED: 00-00-00
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White River Enterprises, LLC

Suite 925, 410 17th Street
Denver, Colorado 80202

WRRM

December 3, 1998



Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Post Office Box 145801
Salt Lake City, Utah 84114-5801

RE: Well State T 44-24
SE/SE, Section 24 T12S, R24E
Lease No. ML-46103

Dear Sir or Madam:

Lone Mountain Production Company has requested a spacing exception for the subject well.
The well is located 319' FSL, 942' FEL in Section 24, T12S, R24E on lease ML-46103.

White River is the 100% holder of Lease ML-47090 in Section 25, T12S, R24E. White River has no objection to the proposed location.

If you have any additional Questions please contact our Agent at the following address.

William A. Ryan
Rocky Mountain Consulting
435-789-0968

Sincerely yours,

A handwritten signature in cursive script that reads "William A. Ryan". The signature is written in dark ink and is positioned above the typed name.

William A. Ryan
Agent
cc: WRRM

Telephone: (303) 628-1951

Fax: (303) 825-0321

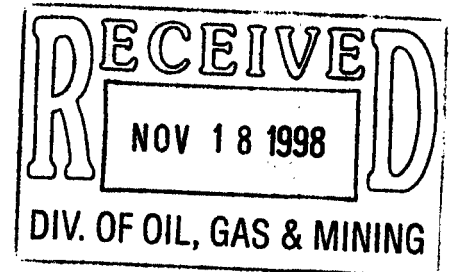
White River Enterprises, LLC

Suite 925, 410 17th Street
Denver, Colorado 80202

WRRM

November 11, 1998

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Post Office Box 145801
Salt Lake City, Utah 84114-5801



RE: Well State T 44-24
SE/SE, Section 24 T12S, R24E
Lease No. ML-46103

Dear Sir or Madam:

Lone Mountain Production Company has requested a spacing exception for the subject well.
The well is located 319' FSL, 942' FEL in Section 24, T12S, R24E on lease ML-46103.

White River is the 100% holder of Lease ML-46103 in Section 24, T12S, R24E. White River has no objection to the proposed location.

If you have any additional Questions please contact our Agent at the following address.

William A. Ryan
Rocky Mountain Consulting
435-789-0968

Sincerely yours,

A handwritten signature in cursive script that reads "William A. Ryan".

William A. Ryan
Agent
cc: WRRM

Telephone: (303) 628-1951

Fax: (303) 825-0321



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 21, 1998

Lone Mountain Production Company
P.O. Box 3394
Billings, Montana 59103

Re: State T 44-24 Well, 319' FSL, 942' FEL, SE SE, Sec. 24, T. 12 S., R. 24 E.,
Uintah County, Utah

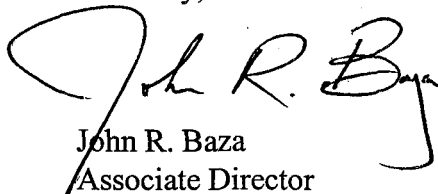
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM by the operator and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33172.

Sincerely,



John R. Baza
Associate Director

lwp

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Lone Mountain Production Company

Well Name & Number: State T 44-24

API Number: 43-047-33172

Lease: State **Surface Owner:** State

Location: SE SE **Sec.** 24 **T.** 12 S. **R.** 24 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division of the following actions during drilling of this well:

- . 24 hours prior to cementing or testing casing
- . 24 hours prior to testing blowout prevention equipment
- . 24 hours prior to spudding the well
- . within 24 hours of any emergency changes made to the approved drilling program
- . prior to commencing operations to plug and abandon the well

Division contacts (please leave a voice mail message if person is not available to take the call):

- . Dan Jarvis at (801) 538-5338
- . Robert Krueger at (801) 538-5274 (plugging)
- . Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas well <input type="checkbox"/> Other	5. Lease Designation and Serial No. ML 46103
2. Name of Operator Rosewood Resources, Inc.	6. If Indian, Allottee or Tribe Name N/A
3. Address and Telephone No. P.O. Box 1668, Vernal, UT 84078 435-789-0414	7. If unit or CA, Agreement Designation N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 319' FSL 942' FEL SE/SE SEC. 24 T12S R24E	8. Well Name and No. State T 44-24
	9. API Well No. 43-047-33172
	10. Field and Pool, or Exploratory Area
	11. County or Parish, State Uintah County

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment <input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion <input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back <input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing repair <input type="checkbox"/> Water Shut-off
	<input type="checkbox"/> Altering Casing <input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>APD EXTENSION</u> <input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Rosewood Resources Inc. as agent for Lone Mountain Production Company to drill and complete the State "T" #44-24, referenced above, requests a one year extension of the Application for Permit to Drill (APD).

If you require additional information please feel free to contact Rosewood Resources @ 435-789-0414.

Lucy Nemecek

Agent for Lone Mountain Production Company

14. I hereby certify that the foregoing is true and correct

Signed Lucy Nemecek Title AGENT Date 11/30/99

(This space of Federal or State office use.)

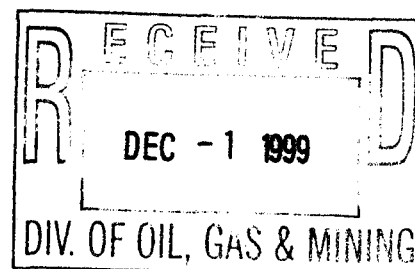
Approved by _____ Title _____ Date _____

Conditions of approval, if any:

COPY SENT TO OPERATOR
Date: 12-6-99
Initials: CHP

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 12/16/99
By: [Signature]





State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 9, 2001

James Routson
Lone Mountain Production Company
P. O. Box 3394
Billings, Montana 59103

Re: APD Rescinded – State T 44-24, Sec. 24, T.12S, R.24E - Uintah County, Utah
API No. 43-047-33172

Dear Mr. Routson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 21, 1998. On December 6, 1999, Lone Mountain was granted a one-year APD extension. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective December 6, 2000.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

A handwritten signature in cursive script that reads 'Lisha Cordova'.

Lisha Cordova
Eng. Technician

cc: Well File
Bureau of Land Management, Vernal